EXHIBIT B

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

United States of America, et al,
Plaintiffs,

v.

JetBlue Airways Corporation,

and

Spirit Airlines, Inc.,
Defendants.

Case No. 1:23-cv-10511

HIGHLY CONFIDENTIAL – SUBJECT TO PROTECTIVE ORDER

AMENDED EXPERT REPORT OF GAUTAM GOWRISANKARAN, PH.D.

July 7, 2023

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customers. Specifically, I identify a significant portion of customers—including particularly cost-conscious customers—who would likely be harmed even if, again taking Defendants' plans for Spirit's assets at face value, other consumers might benefit to an equal or greater extent in certain markets, thus suggesting aggregate benefits in those markets. (§ 7.5.2)

7.5.1. Quantifying total consumer harm and average harm per passenger

289. In this section, I focus on total consumer harm and average harm per passenger in each market currently served nonstop by Spirit. I highlight evidence that the merger likely creates significant harm in nonstop overlaps, mixed overlaps, and non-overlaps. My approach takes many of Defendants' assertions and assumptions at face value, even though I do not agree with these assertions or assumptions. For example, I consider both the harm that arises from the loss of competition when Spirit's product and business model are removed from markets, as well as the potential offsetting benefits that may arise under the assumption that Defendants redeploy Spirit's aircraft under the JetBlue business model on the same routes. However, because the merged firm has an incentive to reduce capacity in overlap markets, as I discussed in Section 5.3.1, this assumption makes my analysis conservative. My approach also allows me to take seriously, and in the process directly refute, one of Defendants' core rationales for the deal—that reallocating Spirit planes to JetBlue would result in a procompetitive efficiency.

290. As above, I use an entry study framework that addresses the effect of competition from Spirt and JetBlue on market prices. Spirit's entries are informative about the extent to which prices decrease as a result of competition from Spirit, and conversely, provide an indication of the extent to which prices would increase and consumers would be harmed following the elimination of Spirit as an independent competitor through the proposed merger. Similarly, JetBlue entries are informative about the extent to which there could be offsetting efficiencies that arise from a larger post-merger JetBlue.

291. My entry analysis here is designed to implement the comparison of effects that Defendants have suggested justifies the proposed merger but it corrects their analysis by including controls for the resources involved in generating those effects, namely the number of "planes" that the entrant deploys (as in Section 7.4, I will use "planes" as shorthand for Spirit's planes, pilots, and any